IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(Special Original Jurisdiction)

MONDAY, THE TWENTY FIFTH DAY OF JUNE
TWO THOUSAND AND SEVEN

PRESENT
THE HON'BLE SRI JUSTICE BILAL NAZKI
and
THE HON'BLE SRI JUSTICE S.ANANDA REDDY

WRIT PETITION No.20384 of 2005

Between:

State of Andhra Pradesh,
Rep. by Commercial Tax Officer,Patnam Bazar Circle,
Guntur Division, Guntur.

..... PETITIONER

and

1.Sree Veera Hanuman Jute Mills (P) Ltd.,
Ankireddypalem, Guntur Dist and others.

.....RESPONDENTS

The Hon'ble Sri Justice Bilal Nazki
and
The Hon'ble Sri Justice S.Ananda Reddy

Writ Petition No.20384 of 2005

Order: *(per the Hon'ble Sri Justice Bilal Nazki)*

Heard the learned Counsel for the parties.

The liability of the first respondent-assessee to the writ petitioner-Commercial Tax Department was to the tune of

Rs.1,34,64,509/- and the liability towards the second and third respondents-Banks was much more. The property belonging to the first respondent-assessee was sought to be auctioned by the second and third respondents-Banks and it was challenged by way of this Writ Petition by the petitioner-Commercial Tax Department.

This Court while entertaining the Writ Petition on 15-09-2005 passed the following interim order in WPMP.No.25970 of 2005:

> 'We are not inclined to stay the auction of the property scheduled to be held on 16-09-2005.
>
> Interest of justice would be met by directing the respondent No.4-Recovery Officer to deposit an amount of Rs.1,34,64,509/- (Rupees one crore thirty four lakhs sixty four thousand five hundred nine only) from out of the sale proceeds, with the Debts Recovery Tribunal, Triveni Complex, Abids, Hyderabad, and not to disburse the said amount to respondents 2 and 3, pending further orders.'

We are told that the auction was conducted and the property was sold for an amount of Rs.6,50,00,000/- on 01-06-2007 and the amount was also received by the second and third respondents-Banks on 01-06-2007 itself. Accordingly, an amount of Rs.1,34,64,509/-, which is relatable to the liability of the first respondent-assessee towards the petitioner-Commercial Tax Department, was kept in a Fixed Deposit. Now, WPMP.No.15510 of 2007 has been filed by the second and third respondents-Banks seeking permission to appropriate the rest of the amount.

Since the dispute is only by the second and third

respondents-Banks with the petitioner-Commercial Tax Department and the first respondent-assessee has not raised any dispute and has perhaps accepted his debt, we feel that the amounts received by the second and third respondents-Banks can be distributed between the parties. The liability of the first respondent-assessee to the petitioner-Commercial Tax Department is to the tune of Rs.1,34,64,509/- and it was already kept in a Fixed Deposit. This amount of Rs.1,34,64,509/- can be transferred to the petitioner-Commercial Tax Department and the rest of the amount may be appropriated by the second and third respondents-Banks towards their liability.

The Writ Petition is, accordingly, disposed of. No costs.

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(Bilal Nazki, J)

25th June, 2007

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(S.Ananda Reddy, J)

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